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DANVILLE PUBLIC BUILDING COMMISSION
Danville, Illinois

**BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**
October 31, 2015

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Independent Auditors' Report

Board of Commissioners
Danville Public Building Commission
Danville, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the Danville Public Building Commission, as of and for the year ended October 31, 2015, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Danville Public Building Commission as of October 31, 2015, and the changes in financial position and the cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

During fiscal year ended October 31, 2015, Danville Public Building Commissions adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. As a result of the implementation of GASBs No. 68 and GASB No. 71, the District reported a restatement for the change in accounting principle (see Note 10) and a deferred inflow and outflow of resources. Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in net pension liability and related ratios, schedule of employer contributions and notes to the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Commission has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The combining financial statements listed as other supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Danville, Illinois
January 8, 2016

DANVILLE PUBLIC BUILDING COMMISSION
STATEMENT OF NET POSITION
October 31, 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 2,148,755
Prepaid expenses	42,902
Due from others	156,064
Capital lease receivable	<u>340,536</u>
Total current assets	<u>2,688,257</u>

NONCURRENT ASSETS

Capital lease receivable	3,497,247
Pension asset	263,999
Capital assets, net of accumulated depreciation	<u>3,170,817</u>
Total noncurrent assets	<u>6,932,063</u>

TOTAL ASSETS

9,620,320

DEFERRED OUTFLOW OF RESOURCES

Deferred amount related to pension asset	<u>361,166</u>
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LIABILITIES

CURRENT LIABILITIES

Accounts payables	384,521
Interest payable	77,773
Accrued expenses	97,567
Advance payments	500,000
Unearned revenue	128,844
Due to Vermillion County	885,903
Due to City of Danville	66,711
Current portion - bonds payable	<u>290,000</u>
Total current liabilities	<u>2,431,319</u>

NONCURRENT LIABILITIES

Bonds payable	4,215,000
Unamortized premium on revenue bonds	<u>9,135</u>
Total noncurrent liabilities	<u>4,224,135</u>

TOTAL LIABILITIES

6,655,454

DEFERRED INFLOWS

Deferred amount related to pension asset	<u>23,784</u>
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NET POSITION

Investment in capital assets	3,170,817
Unrestricted	<u>131,431</u>

TOTAL NET POSITION

\$ 3,302,248

The accompanying notes are an integral part of the basic financial statements.

DANVILLE PUBLIC BUILDING COMMISSION
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
Year Ended October 31, 2015

OPERATING REVENUES	
Rent	\$ 7,141,323
Rebate	146,014
Salary reimbursement	21,417
Miscellaneous	<u>58,024</u>
Total operating revenues	<u>7,366,778</u>
OPERATING EXPENSES	
Administrative	1,698,977
Operations and maintenance	1,655,444
Communications	1,054,785
Assigned personnel and dietary	2,576,697
Depreciation	<u>476,038</u>
Total operating expenses	<u>7,461,941</u>
Total operating loss	<u>(95,163)</u>
NONOPERATING REVENUES AND EXPENSES	
Interest expense	(188,941)
Interest on capital lease	149,917
Interest on investments and deposits	<u>1,204</u>
Total nonoperating revenues and expenses	<u>(37,820)</u>
NET LOSS	(132,983)
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	2,621,253
RESTATEMENT - Net Pension Asset	<u>813,978</u>
NET POSITION, BEGINNING OF YEAR, AS RESTATED, See Note 10	<u>3,435,231</u>
NET POSITION, END OF YEAR	<u>\$ 3,302,248</u>

The accompanying notes are an integral part of the basic financial statements.

DANVILLE PUBLIC BUILDING COMMISSION
STATEMENT OF CASH FLOWS
Year Ended October 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts of rental income	\$ 7,250,355
Payments to suppliers	(5,108,231)
Payments to employees	<u>(1,932,158)</u>
Net cash provided by operating activities	<u>209,966</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(66,865)
Receipts of principal on capitalized lease receivable	322,665
Receipts of interest on capitalized lease	149,917
Principal payments on revenue bonds	(275,000)
Unamortized premium	(1,043)
Interest paid on revenue bonds	<u>(193,502)</u>
Net cash used in capital and related financing activities	<u>(63,828)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments and deposits	<u>1,204</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	147,342
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,001,413</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,148,755</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ (95,163)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	476,038
Changes in operating assets and liabilities:	
Prepaid expenses	(965)
Pension asset	141,293
Accounts payable and accrued expenses	(3,189)
Advance Payments	(115,000)
Unearned revenue	2,869
Due to/from other governments	(4,292)
Increase in deferred outflow of resources	(215,409)
Increase in deferred inflow of resources	<u>23,784</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 209,966</u>

The accompanying notes are an integral part of the basic financial statements.

**DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
October 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Danville Public Building Commission (Commission), a municipal corporation, was organized under the provisions of the "Public Building Commission Act of the State of Illinois", approved July 5, 1955, as amended, and was incorporated for the purpose of exercising the powers and authority prescribed by the provisions of said "Public Building Commission Act of the State of Illinois" to enable the erecting, equipping, and providing of modern public buildings to house various branches, departments, and agencies of government in the County seat of Vermilion County, Illinois.

Reporting Entity

The Commission's reporting entity includes the Commission's governing board and all related organizations for which the Commission is financially accountable.

The Commission is not aware of any entity, which would be financially accountable for the Commission to the extent that the Commission would be considered a component unit of the entity. The Commission is to be disclosed as a joint venture in the basic financial statements of the following entities:

Vermilion County, Illinois
City of Danville, Illinois

A joint venture presentation is a footnote disclosure of each entity's share of the Commission's assets, liabilities, and net position.

Basis of Presentation

The accounts of the Commission are organized and reported as a single business-type activity.

Basis of accounting defines when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of their recognition. The financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The Commission distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Commission's on-going operations. The principal operating revenue of the Commission is rental income.

Fiduciary fund types are used for assets held by the Commission in a trustee capacity or as an agent for individuals.

DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
October 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget

In accordance with their intergovernmental agreement, the Board approves an annual operating budget.

Cash and Cash Equivalents

Cash and cash equivalents include all checking, money market accounts and liquid investments with an original maturity of three months or less when purchased.

Capital Assets

Depreciation of all exhaustible capital assets is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	40 years
Improvements	10 to 40 years
Equipment	3 to 10 years
Furniture and fixtures	5 to 7 years

Excess Earnings

The Commission records all revenues over expenses associated with their direct financing leases, as an expense and a liability to other governmental units. The lease agreements require all excess earnings to be refunded at the end of the lease term.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Restricted Net Position

All amounts held by the Commission are restricted by the covenants of the respective bond issue or for the purpose of carrying out the operations of the Commission.

Deferred Outflows of Resources

The Commission reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its statement of net position. The Commission has one type of item for the deferred amounts related to pensions.

DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
October 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

The Commission's financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The Commission will not recognize the related revenue until a future event occurs. The Commission has one type of item for the deferred amounts related to pensions.

NOTE 2 - CASH AND CASH EQUIVALENTS

At October 31, 2015, the carrying amount of the Commission's deposits was \$38,329. The bank balance of the deposits was \$58,786.

Interest Rate Risk - The Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk - For deposits, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of October 31, 2015, the Commission's bank deposits were fully insured.

Deposits in the Illinois Funds - The Illinois State Treasurer, the administrator of the Illinois Funds Money Market Fund, represents that the monies invested by the individual participants are pooled together and invested in U.S. Treasury bills and notes backed by full faith and credit of the U.S. Treasury. In addition, monies are invested in fully collateralized time deposits in Illinois financial institutions, in collateralized repurchase agreements, and in treasury mutual funds that invest in U.S. Treasury obligations and collateralized repurchase agreements.

The time deposits are collateralized 110 percent over FDIC or FSLIC \$250,000 insurance with U.S. Treasury obligations and marked to market on a weekly basis to maintain sufficiency. The repurchase agreements are collateralized at 102 percent with U.S. Treasury obligations, and the collateral is checked daily to determine sufficiency. Deposits in the Illinois Funds totaled \$2,110,426 at October 31, 2015.

DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
October 31, 2015

NOTE 3 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended October 31, 2015.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 558,575	\$ -	\$ -	\$ 558,575
Capital assets being depreciated:				
Buildings and improvements	8,898,840	500	-	8,899,340
Equipment	4,015,537	55,760	(125,755)	3,945,542
Furniture and fixtures	<u>265,478</u>	<u>10,605</u>	<u>(859)</u>	<u>275,224</u>
Total capital assets, being depreciated	<u>13,179,855</u>	<u>66,865</u>	<u>(126,614)</u>	<u>13,120,106</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,815,062)	(246,199)	-	(7,061,261)
Equipment	(3,123,187)	(220,594)	125,755	(3,218,026)
Furniture and fixtures	<u>(220,191)</u>	<u>(9,245)</u>	<u>859</u>	<u>(228,577)</u>
Total accumulated depreciation	<u>(10,158,440)</u>	<u>(476,038)</u>	<u>126,614</u>	<u>(10,507,864)</u>
Total capital assets, being depreciated, net	<u>3,021,416</u>	<u>(409,173)</u>	<u>-</u>	<u>2,612,242</u>
Capital assets net	<u>\$ 3,579,990</u>	<u>\$ (409,173)</u>	<u>\$ -</u>	<u>\$ 3,170,817</u>

**DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
October 31, 2015**

NOTE 4 - LEASE AGREEMENTS

Direct Financing Leases

Juvenile Detention Center

The Commission has entered into a lease agreement with Vermilion County for the Juvenile Detention Center. The Juvenile Detention Center is being leased to Vermilion County for a period beginning on September 1, 1999 and ending on October 31, 2020. Title to the Juvenile Detention Center will revert back to the County when the bonds are retired and providing that there is no operating lease in place. All remaining assets in the Juvenile Detention Facility Fund will be transferred to the County at the end of the lease.

Jail Addition

The Commission has entered into lease agreements with Vermilion County and the City of Danville, where the Commission added an addition to the existing Public Safety Building. The Jail addition is being leased to Vermilion County and the City of Danville for a period beginning on November 1, 2001 and ending on December 31, 2026 and December 31, 2020, respectively.

Future lease payments to be received including principal and interest, under the lease agreements are as follows:

	Juvenile Detention Center Lease	County Jail Addition Lease	City Jail Addition Lease
2016	\$ 300,000	\$ 46,534	\$ 128,871
2017	300,000	43,812	128,871
2018	300,000	45,667	128,871
2019	300,000	42,048	128,871
2020	300,000	42,752	128,871
Thereafter	<u>-</u>	<u>3,278,096</u>	<u>128,871</u>
	1,500,000	3,498,909	773,226
Less interest	<u>(193,600)</u>	<u>(1,625,313)</u>	<u>(115,439)</u>
Total	<u>\$ 1,306,400</u>	<u>\$ 1,873,596</u>	<u>\$ 657,787</u>

**DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
October 31, 2015**

NOTE 4 - LEASE AGREEMENTS (CONTINUED)

The Building Commission's net investment in the direct financing leases is as follows:

	Juvenile Detention Center	County Jail Addition	City Jail Addition	Total
Total lease payments	\$ 3,900,000	\$ 3,851,156	\$ 2,577,420	\$ 10,328,576
Earned interest to date	(806,859)	(352,247)	(736,033)	(1,895,139)
Unearned interest	<u>(193,600)</u>	<u>(1,625,313)</u>	<u>(115,439)</u>	<u>(1,934,352)</u>
Net investment in direct financing lease	2,899,541	1,873,596	1,725,948	6,499,085
Principal payments received to date	<u>(1,593,141)</u>	<u>-</u>	<u>(1,068,161)</u>	<u>(2,661,302)</u>
Total	<u>\$ 1,306,400</u>	<u>\$ 1,873,596</u>	<u>\$ 657,787</u>	<u>\$ 3,837,783</u>

Future minimum lease payments receivable under the lease agreements for the next five years and thereafter are:

	Juvenile Detention Center	County Jail Addition	City Jail Addition	Total
2016	\$ 241,248	\$ -	\$ 99,289	\$ 340,537
2017	247,808	-	101,505	349,313
2018	257,705	-	105,067	362,772
2019	274,061	-	112,559	386,620
2020	285,578	-	116,275	401,853
Thereafter	<u>-</u>	<u>1,873,596</u>	<u>123,092</u>	<u>1,996,688</u>
Total	<u>\$ 1,306,400</u>	<u>\$ 1,873,596</u>	<u>\$ 657,787</u>	<u>\$ 3,837,783</u>

**DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
October 31, 2015**

NOTE 4 - LEASE AGREEMENTS (CONTINUED)

Operating Leases

Juvenile Detention Center

The Commission entered into an additional operating lease agreement with Vermilion County for the 12 months which ended November 30, 2003 for the operation of the Juvenile Detention Facility. This operating lease automatically renews for successive one-year periods until terminated. For the 12-month period ending October 31, 2015 the gross rental income was \$223,575.

If the accrual of receipts in any year is in excess of expenditures for this lease, the Commission shall refund the excess to the County. For the year ended October 31, 2015 net rental receipts were in excess of funds by \$48,066. The amount of the check that the County will receive for their rebate will be reduced by \$5,000. The funds will be retained by the Danville Public Building Commission per the County's request.

Public Safety Building Lease

A lease agreement was entered into on November 1, 1997, with the City of Danville and County of Vermilion where the Commission agreed to lease the Public Safety Building to the City and County for their joint use. This agreement includes the operations of a Joint Communications Center whose costs will be divided and apportioned equally between the County and the City. The agreement provides also for the salaries and fringe benefits of "leased" employees totaling \$2,508,444, whose costs shall be apportioned solely to the County. The lease agreement was in effect from November 1, 2005 through October 31, 2009. This lease agreement has been extended through October 31, 2016.

If the accrual of receipts in any year are in excess of expenditures in the communication center, assigned personnel, or lease funds, the Commission shall either refund the excess to the City and County, or the City and County may abate their respective tax levies by the excess. An agreement for the calculation of the rebate was established by the Commission in January 2006. The method of this calculation was to be used for the calculation of the rebate beginning for the year ending October 31, 2005. If, in any year the net rental receipts are insufficient in these funds, the Commission shall consult with the City and County and provide essential services that can be had by the use of such available funds. For the year ended October 31, 2015 net rental receipts were in excess of the funds required. Accordingly, refunds of the excess will be made as follows:

City of Danville, Illinois	\$ 66,711
County of Vermilion, Illinois	<u>842,837</u>
Total	<u>\$ 909,548</u>

**DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
October 31, 2015**

NOTE 4 - LEASE AGREEMENTS (CONTINUED)

The amount of the check that the County will receive for their rebate will be reduced by \$147,359. These funds will be retained by the Danville Public Building Commission and transferred to be used for assigned personnel as requested by Vermillion County.

In regard to capital improvements and maintenance, the following provisions are used to determine the amount of excess rental receipts to be refunded:

Maintenance – rental receipts are to be set aside for maintaining, repairing or replacing machinery, and other improvements upon the premises. Excess rental receipts may be refunded in accordance with the provisions for authorizing expenditures; however, at no time shall the excess funds exceed \$200,000, which balance will be determined at the end of each fiscal year.

Capital Improvements – Rental receipts are set aside for the purpose of making either capital improvements or repairs to the premises. Excess rental receipts may be refunded in accordance with the provisions for authorizing expenditures; however, the refund may not exceed \$100,000 a year. The County and City must approve joint and identical resolutions in order for the Commission to have authority to authorize expenditures from this fund.

Lease payments are due as follows:

	<u>Public Safety Building</u>		
	<u>County</u>	<u>City</u>	<u>Total</u>
November 1, 2016	5,150,551	1,146,824	6,297,375

**DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
October 31, 2015**

NOTE 5 - LONG-TERM DEBT

Public Safety Building Addition and Juvenile Detention Center Revenue Bonds outstanding, respectively, at October 31, 2015, are as follows:

Indebtedness:

Original Issue: \$3,065,000
 Certificates: \$5,000 denomination, each dated June 1, 2001
 Interest paid June 1 and December 1

	<u>Principal</u>	<u>Rate on Coupons</u>
12/1/2015	100,000	4.900
12/1/2016	105,000	4.900
12/1/2017	110,000	5.050
12/1/2018	115,000	5.050
12/1/2019	120,000	5.100
12/1/2020	<u>125,000</u>	5.100

Payable October 31, 2015 \$ 675,000

Public Safety Building Addition and Juvenile Detention Center Revenue Bonds outstanding, respectively, at October 31, 2015, are as follows:

Indebtedness:

Original Issue: \$5,095,000
 Certificates: \$5,000 denomination, each dated December 2, 2006
 Interest paid June 1 and December 1

DANVILLE PUBLIC BUILDING COMMISSION
 NOTES TO BASIC FINANCIAL STATEMENTS
 October 31, 2015

NOTE 5 - LONG-TERM DEBT (CONTINUED)

	<u>Principal</u>	<u>Rate on Coupons</u>
12/1/2015	190,000	4.000
12/1/2016	195,000	4.000
12/1/2017	205,000	3.800
12/1/2018	210,000	3.850
12/1/2019	220,000	3.900
12/1/2020	240,000	3.900
12/1/2021	385,000	3.950
12/1/2022	400,000	4.000
12/1/2023	420,000	4.000
12/1/2024	435,000	4.000
12/1/2025	455,000	4.100
12/1/2026	<u>475,000</u>	4.100
Payable October 31, 2015	<u>\$3,830,000</u>	

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Public Safety Building and Juvenile Detention Center Revenue Bonds	\$ 770,000	\$ -	\$ 95,000	\$ 675,000
Public Safety Building and Juvenile Detention Center Revenue Bonds	<u>4,010,000</u>	<u>-</u>	<u>180,000</u>	<u>3,830,000</u>
Total	<u>\$ 4,780,000</u>	<u>\$ -</u>	<u>\$ 275,000</u>	<u>\$ 4,505,000</u>

**DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
October 31, 2015**

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Summary of Long-Term Debt

	<u>Current Portion</u>	<u>Long-Term Portion</u>	<u>Total</u>
Public Safety Building and Juvenile Detention Center Revenue Bonds	\$ 100,000	\$ 575,000	\$ 675,000
Public Safety Building and Juvenile Detention Center Revenue Bonds	<u>190,000</u>	<u>3,640,000</u>	<u>3,830,000</u>
Total	<u>\$ 290,000</u>	<u>\$ 4,215,000</u>	<u>\$ 4,505,000</u>

NOTE 6 - DEFERRED COMPENSATION PLAN

During fiscal 1993 the Commission adopted a deferred compensation plan under section 457 of the Internal Revenue Code. This Plan allows employees to defer part of their compensation. The Commission is not required to make any contributions into the Plan. Contributions by participants are administered by a third-party agent and held in trust. They are not available to the general creditors of the Commission.

NOTE 7 - OTHER RELATED PARTY ACTIVITY

Construction Management Agreements – The Commission has entered into several construction management agreements with related government entities. As part of these agreements, the Commission furnishes two of its employees to act as Construction Manager and Project Director for certain construction projects. In consideration of this, the related entities reimburse the Commission for the cost of those employees' compensation. During fiscal year ended October 31, 2015, the Commission was involved in the following construction management agreement:

Public Library – The Commission received \$5,200 in reimbursement from the Danville Public Library for salaries. The Danville Public Building Commission paid for work performed at the Library.

**DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
October 31, 2015**

NOTE 7 - OTHER RELATED PARTY ACTIVITY (CONTINUED)

911 Contract – The Commission entered into an intergovernmental agreement with Vermillion County Emergency Telephone System Board (ETSB), a governmental agency, for the operation of 911 Emergency Telephone System. The Commission operates and maintains a Joint Communication Telephone System. The intergovernmental agreement was set up to coordinate the efforts of the two entities, allocate resources and personnel, and provide for the proper function of both systems as required by state statutes. The Commission appointed one of its employees to act as the Communication Director. ETSB also appointed that individual as the 911 Director. Under this agreement the ETSB reimbursed the Commission for a portion of the Director's employment costs. Under the lease that became effective November 1, 2008, the Building Commission is no longer be reimbursed by the ETSB for a portion of the Director's employment costs.

An agreement, dated January 22, 2008, was formed with the Vermillion County Emergency Telephone System Board (ETSB). The Danville Public Building Commission agreed to make improvements to the facilities used by the ETSB if the ETSB agreed to pay the total costs of the project in the amount of \$1,000,000 which included legal fees and financing costs. The \$1,000,000 is to be considered a prepayment of the base rent due for ten years which is the term of the lease. In addition to the base rent of \$100,000 per year, the Building Commission will receive an additional \$15,000 in rent per year. This additional rent will continue during the life of the lease. The lease became effective November 1, 2008 and will expire ten years from that date. During fiscal year 2014, the agreement was extended for an additional two years and included an additional \$200,000 prepayment.

The Commission received \$16,217 in reimbursement from ETSB for salaries. DPBC paid for work performed at ETSB.

NOTE 8 - ILLINOIS MUNICIPAL RETIREMENT FUND

IMRF Plan Description

The Commission's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Commission's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

**DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
October 31, 2015**

NOTE 8 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2014, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	25
Inactive Plan Members entitled to but not yet receiving benefits	24
Active Plan Members	31
Total	80

DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
October 31, 2015

NOTE 8 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Contributions

As set by statute, the Commission's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Commission Building's annual contribution rate for calendar year 2014 was 12.84%. For the calendar year ended October 31, 2015, the Commission contributed \$171,521 to the plan. The Commission also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The Commission Building's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2014:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 3.5%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
October 31, 2015**

NOTE 8 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	63.2%	9.81%
International Equity	2.6%	(2.79)%
Fixed Income	23.5%	5.93%
Real Estate	4.3%	12.66%
Alternative Investments	4.5%	N/A
Cash Equivalents	<u>1.9%</u>	N/A
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

- The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
- The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.56%, and the resulting single discount rate is 7.50%.

DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
October 31, 2015

NOTE 8 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Changes in the Net Pension Liability (Asset)

	Total Pension Liability <u>(A)</u>	Plan Net Position <u>(B)</u>	Net Pension Liability(Asset) <u>(A) - (B)</u>
Balances at December 31, 2013	\$ 6,517,612	\$ 6,922,904	\$ (405,292)
Changes for the year:			
Service Cost	148,849	-	148,849
Interest on the Total Pension Liability	483,390	-	483,390
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(30,598)	-	(30,598)
Changes of Assumptions	220,960	-	220,960
Contributions – Employer	-	163,238	(163,238)
Contributions - Employees	-	60,112	(60,112)
Net Investment Income	-	420,152	(420,152)
Benefit Payments, including Refunds of Employee Contributions	(293,679)	(293,679)	-
Other (Net Transfer)	-	37,806	(37,806)
Net Changes	<u>528,922</u>	<u>387,629</u>	<u>141,293</u>
Balances at December 31, 2014	<u>\$ 7,046,534</u>	<u>\$ 7,310,533</u>	<u>\$ (263,999)</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.5%)	Current Discount (7.5%)	1% Higher (8.5%)
Net Pension Liability	\$ 635,290	\$ (263,999)	\$ (998,507)

**DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
October 31, 2015**

NOTE 8 - ILLINOIS MUNICIPAL RETIREMENT FUND (CONTINUED)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended October 31, 2015, the Commission recognized pension expense of \$78,285. At October 31, 2015, the Commission reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual	\$ -	\$ 23,784
Changes of assumptions	171,753	-
Net difference between projected and actual earnings on pension plan investments	<u>78,277</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>250,030</u>	<u>23,784</u>
<i>Pension Contributions made subsequent to the Measurement Date</i>	<u>111,136</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 361,166</u>	<u>\$ 23,784</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending December 31</u>	<u>Net Deferred of Resources</u>
2015	\$ 61,962
2016	61,962
2017	61,962
2018	40,360
2019	-
Thereafter	-
Total	<u>\$ 226,246</u>

**DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
October 31, 2015**

NOTE 9 COMMITMENTS

The Commission has entered into the following significant contractual commitment. The Board of Directors approved a new sewer grinder and the installation of the new grinder for \$150,000. The grinder bid was approved for \$158,888. The project installation has not begun as of October 31, 2015; however, parts have been made. There have been no billings or payments towards the project.

NOTE 10 - RESTATEMENT OF NET POSITION

The Commission adopted a new accounting standard to conform with generally accepted accounting principles. The statement adopted requiring restatement of net position was Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions*. This pronouncement requires the restatement of the October 31, 2014 net position as follows:

Accordingly, the Commission's net position as of October 31, 2014 has been restated as follows:

	Governmental Activities
Net position, October 31, 2014, as previously reported	\$ 2,621,253
Adjustment for beginning deferred outflows of resources related to pensions	145,757
Adjustment for beginning net pension asset	405,292
Adjustment for prior year pension liability	<u>262,929</u>
Net position, October 31, 2015, as restated	<u>\$ 3,435,231</u>

The accompanying notes are an integral part of the basic financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**EMPLOYER
SCHEDULE OF CHANGES IN THE NET PENSION
LIABILITY (ASSET) AND RELATED RATIOS (Unaudited)
ILLINOIS MUNICIPAL RETIREMENT FUND**

Calendar Year Ended December 31,	<u>2014</u>
Total Pension Liability (Asset)	
Service Cost	\$ 148,849
Interest on the Total Pension Liability	483,390
Changes on Benefit Terms	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(30,598)
Changes of Assumptions	220,960
Benefit Payments, including Refunds of Employee Contributions	<u>(293,679)</u>
Net Change in Total Pension Liability	528,922
Total Pension Liability also (Asset)- Beginning	<u>6,517,612</u>
Total Pension Liability also (Asset) – Ending (A)	<u>\$ 7,046,534</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 163,238
Contributions - Employees	60,112
Net Investment Income	420,152
Benefit Payments, including Refunds of Employee Contributions	(293,679)
Other (Net Transfer)	<u>37,806</u>
Net Change in Plan Fiduciary Net Position	387,629
Plan Fiduciary Net Position - Beginning	<u>6,922,904</u>
Plan Fiduciary Net Position – Ending (B)	<u>\$ 7,310,533</u>
Net Pension Liability (Asset) – Ending (A) – (B)	<u>\$ (263,999)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	\$ 103.75%
Covered Valuation Payroll	1,335,833
Net Pension Liability (Asset) as a Percentage of Covered Valuation Payroll	(19.76)%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**DANVILLE PUBLIC BUILDING COMMISSION
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
ILLINOIS MUNICIPAL RETIREMENT FUND**

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2014	\$172,045	163,238	9,618	1,335,833	12.22%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**DANVILLE PUBLIC BUILDING COMMISSION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND**

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2014 Contribution Rate*

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2014 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age = normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	29-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	4%
<i>Price Inflation:</i>	3%, approximate; No explicit price inflation assumption is used in this valuation.
<i>Salary Increases:</i>	4.40% to 16%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
<i>Mortality:</i>	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92 percent of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2012, actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

OTHER SUPPLEMENTARY INFORMATION

DANVILLE PUBLIC BUILDING COMMISSION
COMBINING STATEMENT OF NET POSITION
October 31, 2015

	General	Jail Addition	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,540,068	\$ 608,687	\$ 2,148,755
Prepaid expenses	42,902	-	42,902
Due from others	-	156,064	156,064
Capital lease receivable	-	340,536	340,536
Total current assets	1,582,970	1,105,287	2,688,257
NONCURRENT ASSETS			
Capital lease receivable	-	3,497,247	3,497,247
Pension asset	263,999	-	263,999
Capital assets, net of accumulated depreciation	3,170,817	-	3,170,817
Total noncurrent assets	3,434,816	3,497,247	6,932,063
TOTAL ASSETS	5,017,786	4,602,534	9,620,320
DEFERRED OUTFLOW OF RESOURCES			
Deferred amount related to pension asset	361,166	-	361,166
LIABILITIES			
CURRENT LIABILITIES			
Accounts payables	254,218	130,303	384,521
Interest payable	-	77,773	77,773
Accrued expenses	95,757	1,810	97,567
Advance payments	500,000	-	500,000
Unearned revenue	-	128,844	128,844
Due to Vermilion County	842,837	43,066	885,903
Due to City of Danville	66,711	-	66,711
Current portion - bonds payable	-	290,000	290,000
Total current liabilities	1,759,523	671,796	2,431,319
NONCURRENT LIABILITIES			
Bonds payable	-	4,215,000	4,215,000
Unamortized premium on revenue bonds	-	9,135	9,135
Total noncurrent liabilities	-	4,224,135	4,224,135
TOTAL LIABILITIES	1,759,523	4,895,931	6,655,454
DEFERRED INFLOWS			
Deferred amount related to pension asset	23,784	-	23,784
NET POSITION			
Net investment in capital assets	3,170,817	-	3,170,817
Unrestricted	424,828	(293,397)	131,431
TOTAL NET POSITION	\$ 3,595,645	\$ (293,397)	\$ 3,302,248

**DANVILLE PUBLIC BUILDING COMMISSION
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
Year Ended October 31, 2015**

	<u>General</u>	<u>Jail Addition</u>	<u>Total</u>
OPERATING REVENUES			
Rent	\$ 5,390,801	1,750,522	\$ 7,141,323
Rebate	146,014	-	146,014
Salary reimbursement	21,417	-	21,417
Miscellaneous	<u>58,024</u>	<u>-</u>	<u>58,024</u>
Total operating revenues	<u>5,616,256</u>	<u>1,750,522</u>	<u>7,366,778</u>
OPERATING EXPENSES			
Administrative	156,610	1,542,367	1,698,977
Operations and maintenance	1,489,001	166,443	1,655,444
Communications	1,054,785	-	1,054,785
Assigned personnel and dietary	2,576,697	-	2,576,697
Depreciation	<u>476,038</u>	<u>-</u>	<u>476,038</u>
Total operating expenses	<u>5,753,131</u>	<u>1,708,810</u>	<u>7,461,941</u>
Total operating income (loss)	<u>(136,875)</u>	<u>41,712</u>	<u>(95,163)</u>
NONOPERATING REVENUES AND EXPENSES			
Interest expense	-	(188,941)	(188,941)
Interest on capital lease	-	149,917	149,917
Interest on investments and deposits	<u>994</u>	<u>210</u>	<u>1,204</u>
Total nonoperating revenues and expenses	<u>994</u>	<u>(38,814)</u>	<u>(37,820)</u>
LOSS BEFORE TRANSFERS	(135,881)	2,898	(132,983)
TRANSFERS IN (OUT)	<u>17,869</u>	<u>(17,869)</u>	<u>-</u>
NET LOSS	(118,012)	(14,971)	(132,983)
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	2,899,679	(278,426)	2,621,253
RESTATEMENT - Net Pension Asset	<u>813,978</u>	<u>-</u>	<u>813,978</u>
NET POSITION, BEGINNING OF YEAR, AS RESTATED, See Note 10	<u>3,713,657</u>	<u>(278,426)</u>	<u>3,435,231</u>
NET POSITION, END OF YEAR	<u>\$ 3,595,645</u>	<u>\$ (293,397)</u>	<u>\$ 3,302,248</u>